

The complaint

Mr G complains on behalf of D that HSBC UK Bank Plc took too long to re-debit an amount from D's account after a chargeback attempt failed.

What happened

Mr G raised a chargeback dispute for D in respect of a transaction on a commercial credit card. He says that the amount was taken from the card in respect of a scam.

HSBC temporarily credited D's credit card account while it raised a chargeback for D. However, the chargeback was unsuccessful so it took the funds back.

Mr G says that HSBC took around 18 months to take the money back again. Mr G raised a complaint on behalf of D which this service has looked into.

Our investigator noted that HSBC was entitled to take the money back as D had lost the chargeback. In the circumstances, he considered HSBC's offer of £50 compensation for the delay to be fair and reasonable.

Mr G says he doesn't think the compensation is enough. He says HSBC has already charged almost that much in interest while investigating. He says he is unhappy with how HSBC has handled the scam he asked it to look into.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I have considered the evidence on this case – however, I won't necessarily be commenting on everything. This is not intended as a discourtesy but reflects the informal nature of our service in resolving disputes.

I know Mr G feels very strongly about not getting D's money back through raising a chargeback with HSBC – he has mentioned it in respect of this complaint. I note a decision has been issued to say why this service is unable to look at HSBC's failure to reimburse D money Mr G says it lost to a scam. So I won't be commenting on the wider chargeback outcome here.

I don't think HSBC made a mistake in taking the money back. This is because the chargeback was unsuccessful. However, there is no doubt that HSBC made an error in delaying the debit of the temporary credit. However, in assessing the impact on D I note that:

- Because D is the eligible complainant here I am not able to make an award to it for the impact on Mr G personally (including distress and inconvenience caused to him) – I can only reflect the inconvenience caused to D in its capacity as a Limited Company;

- Mr G has not provided persuasive evidence that as a result of the error D has ended up in a financially worse off position than it would have been in had the funds been debited sooner; and
- D would have had to pay interest on the funds in any event (if the card balance was not cleared) and by not paying interest on the amount for the period of delay there is an argument that the error has indirectly saved it money.

HSBC has made a modest offer of compensation of £50. I appreciate that the delay would have caused D a degree of inconvenience. However, in the circumstances I don't consider HSBC should fairly be required to pay more.

Putting things right

My understanding is that HSBC has not paid D the offer of compensation yet – if it has not then it should do so if Mr G accepts my decision on behalf of D.

My final decision

I direct HSBC UK Bank Plc to pay D the £50 compensation it has offered for its delay in taking the funds back.

Under the rules of the Financial Ombudsman Service, I'm required to ask D to accept or reject my decision before 4 September 2023.

Mark Lancod
Ombudsman